



# UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE  
United States Patent and Trademark Office  
Address: COMMISSIONER FOR PATENTS  
P.O. Box 1450  
Alexandria, Virginia 22313-1450  
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/877,596	06/08/2001	Barry H. Schwab	VID-01602/29	1588
25006	7590	10/05/2005		
GIFFORD, KRASS, GROH, SPRINKLE & CITKOWSKI, P.C PO BOX 7021 TROY, MI 48007-7021			EXAMINER JACOBS, LASHONDA T	
			ART UNIT 2157	PAPER NUMBER
DATE MAILED: 10/05/2005				

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/877,596

Applicant(s)

SCHWAB ET AL.

Examiner

LaShonda T. Jacobs

Art Unit

2157

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 15 September 2005.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-12 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-12 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_\_
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: \_\_\_\_\_

## **DETAILED ACTION**

### ***Response to Amendment***

This is a Final Office Action in response to Applicant's RCE filed on September 15, 2005.

Claims 1-12 are pending.

### ***Affidavits, Declarations***

1. The affidavit filed on December 3, 2004 under 37 CFR 1.131 has been considered but is ineffective to overcome the Khidekel et al reference.

2. First, the affidavit has been improperly executed under MPEP 715.04 (II). An affidavit is a statement in writing made under oath before a notary public, magistrate, or officer authorized to administer oaths. See MPEP § 604 through § 604.06 for additional information regarding formal requirements of affidavits. In addition, all the inventors of the subject matter claimed must file an affidavit or declaration under 37 CFR 1.131. (MPEP 715.04). Although the affidavit filed on September 15, 2005 is submitted under oath before a notary, it lacks execution by the second name inventor i.e. Barry Schwab.

3. 715.04 [R-2] Who May Make Affidavit or Declaration; Formal Requirements of Affidavits and Declarations

#### **I. >< WHO MAY MAKE AFFIDAVIT OR DECLARATION**

The following parties may make an affidavit or declaration under 37 CFR 1.131:

- (A) All the inventors of the subject matter claimed.
- (B) An affidavit or declaration by less than all named inventors of an application is accepted where it is shown that less than all named inventors of an application invented the subject matter

of the claim or claims under rejection. For example, one of two joint inventors is accepted where it is shown that one of the joint inventors is the sole inventor of the claim or claims under rejection.

(C) \*\*> If a petition under 37 CFR 1.47 was granted or the application was accepted under 37 CFR 1.42 or 1.43, the affidavit or declaration may be signed by the 37 CFR 1.47 applicant or the joint

4. The Applicant's declaration fails to prove conception of the invention prior to the date of February 23, 2001 (the filing date for Khidekel et al.). Conception "is more than a mere vague idea of how to solve a problem; the means themselves and their interaction must be comprehended also." (MPEP 715.07 III) The affidavit and accompanying evidence "amounts essentially to mere pleading, unsupported by proof or a showing of facts." *In re Borkowski*, 505F.2d 713, 184 USPQ 29 (CCPA 1974).

5. Specifically, applicant's affidavit is deficient relating to establishment of prior invention on several levels. First, it is not clear if applicant is trying to prove conception or a reduction to practice prior to the critical date. Applicant's statement could be interpreted as applicant's attempt to prove reduction to practice through use of a written description for the invention. However, a written description does not automatically qualify as proof of reduction to practice. MPEP § 715.07(a) regarding the diligence requirement.

### III. >< THREE WAYS TO SHOW PRIOR INVENTION

The affidavit or declaration must state FACTS and produce such documentary evidence and exhibits in support thereof as are available to show conception and completion of invention in this country or in a NAFTA or WTO member country (MPEP § 715.07(c)), at least the

conception being at a date prior to the effective date of the reference. Where there has not been reduction to practice prior to the date of the reference, the applicant or patent owner must also show diligence in the completion of his or her invention from a time just prior to the date of the reference continuously up to the date of an actual reduction to practice or up to the date of filing his or her application (filing constitutes a constructive reduction to practice, 37 CFR 1.131).

As discussed above, 37 CFR 1.131(b) provides three ways in which an applicant can establish prior invention of the claimed subject matter. The showing of facts must be sufficient to show:

- (A) reduction to practice of the invention prior to the effective date of the reference; or
- (B) conception of the invention prior to the effective date of the reference coupled with due diligence from prior to the reference date to a subsequent (actual) reduction to practice; or
- (C) conception of the invention prior to the effective date of the reference coupled with due diligence from prior to the reference date to the filing date of the application (constructive reduction to practice).

6. The exhibit relied upon has not been specifically referred to in the affidavit “in terms of what it is relied upon to show.” (MPEP 715.07 I) Applicant’s affidavit fails “to clearly explain which facts or data applicant is relying on to show completion of his or her invention prior to the particular date” (MPEP 715.07 I) and has left it to the examiner to make the appropriate conclusions. Applicants’ should relate a discussion of evidence provided to the instant claims in the affidavit or declaration provided. The examiner has looked at the accompanying exhibit and it might support applicants’ contention of conception if applicant provides a properly executed affidavit which meets applicants’ burden set forth in the sections cited above.

Art Unit: 2157

7. While the affidavit fails to prove conception, in the interest of compact prosecution, the examiner will now briefly review the evidence for proof of reduction to practice. Applicant's document entitled "method for Secure Transactions Utilizing Physically Separated Computers" was not "reduced to writing" prior to the date of the Khidekel et al reference filing date. Even if Applicants' were to provide correspondence between the claimed invention and the evidence provided in the provisional application filed on June 9, 200 in a properly executed affidavit, it appears the evidence would not pre-date the effective date of the reference to Khidekel. Note, applicants' statement of receipt of the document entitled "Method for Secure Transactions Utilizing Physically Separated Computers" on February 20, 200 amounts to mere pleadings unsupported by evidence. Therefore, the examiner considers the date for reduction to practice to be the filing date for the invention: June 8, 2001 pending the submission of further evidence by applicant. Applicant is reminded that if eventual proof of conception is made to a date prior to the Khidekel et al. reference filing date, that applicant will then need to show due diligence to a subsequent (actual or constructive) reduction to practice date.

8. Applicant has made only a general allegation of diligence and in the most recently filed affidavit no portion of the exhibit appears to address the matter. Applicant should review the guidelines for "Reasonable Diligence" found in MPEP 715.07 (a) and 2138.06. Any statements should be accompanied by showings, not just pleadings (i.e. dated memos, emails, etc.).

9. Examiner would like to make note of the cited pertinent art not relied upon could have been applied to the claims even if the affidavit was acceptable. The references have an earlier date that is considered to be pertinent to the instant application.

***Claim Rejections - 35 USC § 112***

10. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

11. Claim 2 recites the limitation "the site" in line 1. There is insufficient antecedent basis for this limitation in the claim.

12. Claim 12 recites the limitation "the site" in line 1. There is insufficient antecedent basis for this limitation in the claim.

***Drawings***

13. The drawings are objected to as failing to comply with 37 CFR 1.84(p)(5) because they include the following reference character(s) not mentioned in the description: note reference numeral 6 of Figure 1. Corrected drawing sheets in compliance with 37 CFR 1.121(d), or amendment to the specification to add the reference character(s) in the description in compliance with 37 CFR 1.121(b) are required in reply to the Office action to avoid abandonment of the application. Any amended replacement drawing sheet should include all of the figures appearing on the immediate prior version of the sheet, even if only one figure is being amended. The replacement sheet(s) should be labeled "Replacement Sheet" in the page header (as per 37 CFR 1.84(c)) so as not to obstruct any portion of the drawing figures. If the changes are not accepted by the examiner, the applicant will be notified and informed of any required corrective action in the next Office action. The objection to the drawings will not be held in abeyance.

*Claim Rejections - 35 USC § 102*

14. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

15. Claims 1-4 and 7-12 are rejected under 35 U.S.C. 102(e) as being anticipated by Khidekel et al (hereinafter, “Khidekel, 2001/0027527).

As per claim 1, Khidekel discloses a secure transaction method, comprising the steps of:

- establishing an electronically accessible verification site authorized by the holder of a credit card (paragraphs 0019, 0020, 0023 and 0025);
- receiving a request for goods or services at a merchant location using a credit card, but wherein the card is not physically presented to the merchant (paragraphs 0028-0029);
- and
- accessing the verification site by the merchant to determine whether the request for goods or services is legitimate ((paragraphs 0019, 0020, 0023 and 0025) .

As per claim 2, Khidekel discloses:

- wherein the site is a an electronic mail account (paragraph 0025).

As per claim 3, Khidekel discloses:

- wherein the account was established by the merchant (paragraphs 0020 and 0025).

As per claim 4, Khidekel discloses:



Art Unit: 2157

- wherein the authorization message is sent from the site to the merchant in response to the step of accessing the verification site by merchant (paragraphs 0020 and 0039).

As per claim 7, Khidekel discloses:

- wherein request for goods or services, the step of accessing the verification site, the authorization message, or any combination thereof, are encrypted (abstract and paragraph 0034).

As per claim 8, Khidekel discloses:

- wherein the encryption is implemented using an algorithm specific to the holder or an authorized user of the card.

As per claim 9, Khidekel discloses:

- wherein the goods or services, the step of accessing the verification site, the authorization message, or any combination thereof, including routing information (paragraph 0023).

As per claim 10, Khidekel discloses:

- wherein the step of accessing the verification site by the merchant causes an icon or window to appear in a web browser (paragraphs 0025-0026).

As per claim 11, Khidekel discloses:

- wherein the verification site is wirelessly accessible (paragraph 0019).

As per claim 12, Khidekel discloses:

- wherein the site is accessible through a cellular telephone, personal digital assistant, or other mobile device (paragraph 0019).

*Claim Rejections - 35 USC § 103*

16. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

17. Claims 5 and 6 are rejected under 35 U.S.C. 103(a) as being unpatentable over Khidekel in view of Messner.

As per claim 5, Khidekel discloses the invention substantially as claims discussed above.

However, Khidekel does not explicitly disclose:

- wherein the authorization message is automatically generated.

In an analogous art, Messner discloses a method for performing secure Internet transactions including:

- wherein the authorization message is automatically generated (paragraphs 0064 and 0077).

Given the teaching of Messner, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify Khidekel by generating an authorization packet that includes biometric information for approving a transaction securely over a network.

As per claim 6, Khidekel discloses the invention substantially as claims discussed above.

However, Khidekel does not explicitly disclose:

- wherein the authorization message is manually generated within a predetermined period of time.

Art Unit: 2157

Given the teaching of Messner, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify Khidekel by manually generating an authorization packet that includes biometric information for approving a transaction securely over a network.

***Response to Arguments***

18. Applicant's arguments filed September 15, 2005 have been fully considered but they are not persuasive.

**The Office notes the following arguments:**

a. The Khidekel et al reference does not represent prior art.

**In response to:**

a. The Khidekel et al reference does represent prior art.

***Conclusion***

18. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event,

Art Unit: 2157

however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to LaShonda T. Jacobs whose telephone number is 571-272-4004.


The examiner can normally be reached on 8:30 A.M.-5:00 P.M..

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Ario Etienne can be reached on 571-272-4001. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

LaShonda T Jacobs  
Examiner  
Art Unit 2157

ltj  
September 26, 2005

  
ARIO ETIENNE  
SUPERVISORY PATENT EXAMINER  
TECHNOLOGY CENTER 2100